



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-851-803]

Grain-Oriented Electrical Steel from the Czech Republic: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) preliminarily determines that grain-oriented electrical steel (GOES) from the Czech Republic is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is July 1, 2012, through June 30, 2013. The estimated weighted-average dumping margins of sales at LTFV are listed in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

FOR FURTHER INFORMATION CONTACT: Dennis McClure at (202) 482-5973 or Stephen Bailey at (202) 482-0193, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

The Department initiated this investigation on October 24, 2013.¹ For a complete description of the events that followed the initiation of this investigation, see the memorandum that is dated concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).² The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The scope of the investigation covers GOES, which is a flat-rolled alloy steel product containing by weight specific levels of silicon, carbon and aluminum. For a complete description of the scope of the investigation, see Appendix I to this notice.

Various parties submitted comments on the scope. For discussion of these comments, see the Preliminary Decision Memorandum.

¹ See Grain-Oriented Electrical Steel from the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Initiation of Antidumping Duty Investigations, 78 FR 65283 (Oct. 31, 2013) (Initiation Notice). AK Steel Corporation, Allegheny Ludlum, LLC, and the United Steelworkers (collectively, the petitioners) filed the underlying petitions. Id. at 65283.

² See memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled: "Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Grain-Oriented Electrical Steel from the Czech Republic" (Preliminary Decision Memorandum).

Tolling and Postponement of Deadline for Preliminary Determination

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the partial closure of the Federal Government from October 1, through October 16, 2013. Therefore, all deadlines in this segment of the proceeding have been extended by 16 days.³ If the new deadline falls on a non-business day, in accordance with the Department's practice, the deadline will become the next business day.⁴

On February 10, 2014, the petitioners made a timely request for a 50-day postponement of the preliminary determinations for this and the other concurrent GOES antidumping duty investigations, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).⁵ On February 20, 2014, we postponed the preliminary determinations by 50 days.⁶ As a result of the postponement and aforementioned tolling, the revised deadline for the preliminary determination of this investigation is now May 2, 2014.

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. Export price (EP) and constructed export price (CEP) are calculated in accordance with section 772 of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act.

³ See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government," dated October 18, 2013.

⁴ See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).

⁵ See letter from the petitioners entitled, "Antidumping Investigations of Grain-Oriented Electrical Steel ("GOES") from China, Czech Republic, Germany, Japan, South Korea, Poland, and Russia: Petitioners' Request for Extension of the Preliminary Determination," dated February 10, 2014.

⁶ See Grain-Oriented Electrical Steel From the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Postponement of Preliminary Determinations in the Antidumping Duty Investigations, 79 FR 11082 (February 27, 2014).

For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Negative Preliminary Determination of Critical Circumstances

On February 24, 2014, the petitioners filed a timely allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of the merchandise under consideration.⁷ In accordance with 19 CFR 351.206(c)(2)(i), when a critical circumstances allegation is submitted more than 20 days before the scheduled date of the preliminary determination, the Department must issue a preliminary finding whether there is a reasonable basis to believe or suspect that critical circumstances exist no later than the date of the preliminary determination. We conducted an analysis of critical circumstances in accordance with section 733(e) of the Act and 19 CFR 351.206, and preliminarily determined that critical circumstances do not exist for imports of GOES from the Czech Republic. For a full description of the methodology and results of our analysis, see the Preliminary Decision Memorandum.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or de minimis margins, and any margins determined entirely under section 776 of the Act. Pursuant to section 735(c)(5)(B) of the Act, if the estimated weighted-average dumping margins established for all exporters and producers individually examined are zero, de minimis or determined based

⁷ See letter from the petitioners, “Grain-Oriented Electrical {sic} Steel from the Czech Republic, Poland, and the Russian Federation -- Critical Circumstances Allegations,” dated February 24, 2014 (the petitioners’ Critical Circumstances Allegation).

entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated dumping margin for all other producers or exporters.

We based our calculation of the “All Others” rate on the weighted-average of the margins calculated for ArcelorMittal Frýdek-Místek (AMFM) and Sujani Enterprises, Inc. (Sujani) using publicly-ranged data. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business-proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for these respondents.⁸ For further discussion of this calculation, see memorandum entitled “Calculation of the All Others Rate for the Preliminary Determination of the Antidumping Duty Investigation of Grain-Oriented Electrical Steel from the Czech Republic,” dated concurrently with this notice.

Preliminary Determination

The preliminarily estimated weighted-average dumping margins are as follows:

Manufacturer/exporter	Weighted-Average Dumping Margin (Percent)
ArcelorMittal Frýdek-Místek	11.45
Sujani Enterprises, Inc.	10.35
All Others	10.38

⁸ See, e.g., Certain Frozen Warmwater Shrimp From India: Final Results of Antidumping Duty Administrative Review, Partial Rescission, and Final No Shipment Determination, 76 FR 41203, 41205 (July 13, 2011).

Disclosure

We will disclose the calculations performed to interested parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i) of the Act, we intend to verify information relied upon in making our final determination.

Public Comment

Interested parties are invited to comment on this preliminary determination. Interested parties may submit case briefs to the Department no later than seven days after the date of the final verification report issued in this proceeding. Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.⁹ A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department.¹⁰ Executive summaries should be limited to five pages total, including footnotes. Interested parties who wish to comment on the preliminary determinations must file briefs electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time on the date the document is due.

In accordance with section 774 of the Act, the Department will hold a hearing, if timely requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party.¹¹ Interested

⁹ See 19 CFR 351.309(d)(1) and 19 CFR 351.309(d)(2).

¹⁰ See 19 CFR 351.309(c)(2).

¹¹ See also 19 CFR 351.310.

parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using IA ACCESS, as noted above. An electronically-filed request must be received successfully in its entirety by IA ACCESS by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.¹² Requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed.¹³ If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from the Czech Republic entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register.

Pursuant to section 733(d) of the Act and 19 CFR 351.205(d), we will instruct CBP to require cash deposits¹⁵ equal to the dumping margins, as indicated in the chart above, as follows: (1) The rate for the mandatory respondents listed above will be the respondent-specific rate we determined in this preliminary determination; (2) if the exporter is not a mandatory respondent identified above, but the producer is, the rate will be the specific rate established for the producer

¹² Id.

¹³ Id.

¹⁴ Id.

¹⁵ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

of the subject merchandise; and (3) the rate for all other producers or exporters will be the all others rate. These suspension of liquidation instructions will remain in effect until further notice.

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

Respondents AMFM and Sujani requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.¹⁶ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting producer or exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after the publication of this notice in the Federal Register and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will issue our final determination no

¹⁶ See letters from AMFM and Sujani entitled, "Grain-Oriented Electrical Steel from The Czech Republic: Request to Postpone Final Determination," dated April 30, 2014.

later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.¹⁷

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our affirmative preliminary determination of sales at LTFV. If our final determination in this investigation is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of GOES from the Czech Republic before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: May 2, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

¹⁷ See 19 CFR 351.210(b)(2) and (e).

Appendix I – Scope of the Investigation

The scope of the investigation covers grain-oriented silicon electrical steel (GOES). GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to this investigation is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive. Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (i.e., laminations).

Appendix II – List of Topics Discussed in the Preliminary Decision Memorandum

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